

SENATE MOTION

MADAM PRESIDENT:

I move that Senate Bill 19 be amended to read as follows:

- 1 Page 16, between lines 34 and 35, begin a new paragraph and insert:
2 "SECTION 12. IC 6-3.5-1.1-26, AS ADDED BY P.L.224-2007,
3 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 26. (a) A county council may impose a tax
5 rate under this section to provide property tax relief to political
6 subdivisions in the county. A county council is not required to impose
7 any other tax before imposing a tax rate under this section.
8 (b) A tax rate under this section may be imposed in increments of
9 five hundredths of one percent (0.05%) determined by the county
10 council. A tax rate under this section may not exceed one percent (1%).
11 (c) A tax rate under this section is in addition to any other tax rates
12 imposed under this chapter and does not affect the purposes for which
13 other tax revenue under this chapter may be used.
14 (d) If a county council adopts an ordinance to impose or increase a
15 tax rate under this section, the county auditor shall send a certified
16 copy of the ordinance to the department and the department of local
17 government finance by certified mail.
18 (e) A tax rate under this section may be imposed, increased,
19 decreased, or rescinded by a county council at the same time and in the
20 same manner that the county council may impose or increase a tax rate
21 under section 24 of this chapter.
22 (f) Tax revenue attributable to a tax rate under this section may be
23 used for any combination of the following purposes, as specified by
24 ordinance of the county council:
25 (1) **Except as provided in subsection (j)**, the tax revenue may be
26 used to provide local property tax replacement credits at a
27 uniform rate to all taxpayers in the county. Any tax revenue that
28 is attributable to the tax rate under this section and that is used to
29 provide local property tax replacement credits under this
30 subdivision shall be distributed to civil taxing units and school
31 corporations in the county in the same manner that certified

distributions are allocated as property tax replacement credits under section 12 of this chapter. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year.

(2) The tax revenue may be used to uniformly increase the homestead credit percentage in the county. The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state homestead credit under IC 6-1.1-20.9. The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1. The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

(3) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in IC 6-1.1-20.6-4) in the county. Any tax revenue that is attributable to the tax rate under this section and that is used to provide local property tax replacement credits under this subdivision shall be distributed to civil taxing units and school corporations in the county in the same manner that certified distributions are allocated as property tax replacement credits under section 12 of this chapter. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year.

(g) The tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter;

(2) the maximum permissible property tax levy under STEP

1 EIGHT of IC 6-1.1-18.5-3(b); or

2 (3) the total county tax levy under IC 6-1.1-21-2(g)(3),
3 IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

4 (h) Tax revenue under this section shall be treated as a part of the
5 receiving civil taxing unit's or school corporation's property tax levy for
6 that year for purposes of fixing the budget of the civil taxing unit or
7 school corporation and for determining the distribution of taxes that are
8 distributed on the basis of property tax levies.

9 (i) The department of local government finance and the department
10 of state revenue may take any actions necessary to carry out the
11 purposes of this section.

12 **(j) A taxpayer that owns an industrial plant located in Jasper**
13 **County is ineligible for a local property tax replacement credit**
14 **under this section against the property taxes due on the industrial**
15 **plant if the assessed value of the industrial plant as of March 1,**
16 **2006, exceeds twenty percent (20%) of the total assessed value of**
17 **all taxable property in the county on that date."**

18 Page 17, between lines 15 and 16, begin a new paragraph and insert:

19 "SECTION 14. IC 6-3.5-6-32, AS ADDED BY P.L.224-2007,
20 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 UPON PASSAGE]: Sec. 32. (a) A county income tax council may
22 impose a tax rate under this section to provide property tax relief to
23 political subdivisions in the county. A county income tax council is not
24 required to impose any other tax before imposing a tax rate under this
25 section.

26 (b) A tax rate under this section may be imposed in increments of
27 five hundredths of one percent (0.05%) determined by the county
28 income tax council. A tax rate under this section may not exceed one
29 percent (1%).

30 (c) A tax rate under this section is in addition to any other tax rates
31 imposed under this chapter and does not affect the purposes for which
32 other tax revenue under this chapter may be used.

33 (d) If a county income tax council adopts an ordinance to impose or
34 increase a tax rate under this section, the county auditor shall send a
35 certified copy of the ordinance to the department and the department
36 of local government finance by certified mail.

37 (e) A tax rate under this section may be imposed, increased,
38 decreased, or rescinded at the same time and in the same manner that
39 the county income tax council may impose or increase a tax rate under
40 section 30 of this chapter.

41 (f) Tax revenue attributable to a tax rate under this section may be
42 used for any combination of the following purposes, as specified by
43 ordinance of the county income tax council:

44 (1) **Except as provided in subsection (k),** the tax revenue may be
45 used to provide local property tax replacement credits at a
46 uniform rate to civil taxing units and school corporations in the
47 county. The amount of property tax replacement credits that each

1 civil taxing unit and school corporation in a county is entitled to
2 receive under this subdivision during a calendar year equals the
3 product of:

4 (A) the tax revenue attributable to a tax rate under this section
5 that is dedicated to property tax replacement credits under this
6 subdivision; multiplied by

7 (B) the following fraction:

8 (i) The numerator of the fraction equals the total property
9 taxes being collected in the county by the civil taxing unit or
10 school corporation during the calendar year of the
11 distribution.

12 (ii) The denominator of the fraction equals the sum of the
13 total property taxes being collected in the county by all civil
14 taxing units and school corporations of the county during the
15 calendar year of the distribution.

16 The department of local government finance shall provide each
17 county auditor with the amount of property tax replacement
18 credits that each civil taxing unit and school corporation in the
19 auditor's county is entitled to receive under this subdivision. The
20 county auditor shall then certify to each civil taxing unit and
21 school corporation the amount of property tax replacement credits
22 the civil taxing unit or school corporation is entitled to receive
23 under this subdivision during that calendar year. The county
24 auditor shall also certify these distributions to the county
25 treasurer. Except as provided in subsection (g), the local property
26 tax replacement credits shall be treated for all purposes as
27 property tax levies.

28 (2) The tax revenue may be used to uniformly increase the
29 homestead credit percentage in the county. The additional
30 homestead credits shall be treated for all purposes as property tax
31 levies. The additional homestead credits do not reduce the basis
32 for determining the state homestead credit under IC 6-1.1-20.9.
33 The additional homestead credits shall be applied to the net
34 property taxes due on the homestead after the application of all
35 other assessed value deductions or property tax deductions and
36 credits that apply to the amount owed under IC 6-1.1. The
37 department of local government finance shall determine the
38 additional homestead credit percentage for a particular year based
39 on the amount of tax revenue that will be used under this
40 subdivision to provide additional homestead credits in that year.

41 (3) The tax revenue may be used to provide local property tax
42 replacement credits at a uniform rate for all qualified residential
43 property (as defined in IC 6-1.1-20.6-4) in the county. The
44 amount of property tax replacement credits that each civil taxing
45 unit and school corporation in a county is entitled to receive under
46 this subdivision during a calendar year equals the product of:

47 (A) the tax revenue attributable to a tax rate under this section

that is dedicated to property tax replacement credits under this subdivision; multiplied by

(B) the following fraction:

(i) The numerator of the fraction equals the total property taxes being collected in the county by the civil taxing unit or school corporation during the calendar year of the distribution.

(ii) The denominator of the fraction equals the sum of the total property taxes being collected in the county by all civil taxing units and school corporations of the county during the calendar year of the distribution.

The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year. The county auditor shall also certify these distributions to the county treasurer. Except as provided in subsection (g), the local property tax replacement credits shall be treated for all purposes as property tax levies.

(g) The tax rate under this section shall not be considered for purposes of computing:

(1) the maximum income tax rate that may be imposed in a county under section 8 or 9 of this chapter or any other provision of this chapter; or

(2) the maximum permissible property tax levy under STEP EIGHT of IC 6-1.1-18.5-3(b).

(h) Tax revenue under this section shall be treated as a part of the receiving civil taxing unit's or school corporation's property tax levy for that year for purposes of fixing the budget of the civil taxing unit or school corporation and for determining the distribution of taxes that are distributed on the basis of property tax levies.

(i) The department of local government finance and the department of state revenue may take any actions necessary to carry out the purposes of this section.

(j) Notwithstanding any other provision, in Lake County the county council (and not the county income tax council) is the entity authorized to take actions concerning the tax rate under this section.

(k) A taxpayer that owns an industrial plant located in Jasper County is ineligible for a local property tax replacement credit under this section against the property taxes due on the industrial plant if the assessed value of the industrial plant as of March 1, 2006, exceeds twenty percent (20%) of the total assessed value of all taxable property in the county on that date."

- 1 Page 26, between lines 38 and 39, begin a new paragraph and insert:
- 2 "SECTION 29. [EFFECTIVE UPON PASSAGE] **IC 6-3.5-1.1-26**
- 3 **and IC 6-3.5-6-32, both as amended by this act, apply to property**
- 4 **taxes first due and payable after December 31, 2007."**
- 5 Renumber all SECTIONS consecutively.
(Reference is to SB 19 as printed January 17, 2008.)

Senator HERSHMAN